PENSIONS ROUND-UP

MARCH 2017

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INTRODUCTION

Welcome to the latest edition of DLA Piper's monthly newsletter – Pensions Round-Up – in which we provide an overview of developments in pension legislation, case law and regulatory guidance.

In this edition we look at key developments from March 2017 including the following.

- **The Pensions Regulator:** the publication of new resources in relation to pension scams; a consultation on a draft monetary penalties policy and a revised description of professional trustees; and new investment guidance for trustees of defined benefit schemes.
- **Pension Protection Fund:** the PPF's response to consultation on a proposed levy rule for schemes without a substantive sponsor; and a consultation on levy rules for the third PPF levy triennium.
- **Consultations:** the Government response to its November consultation about equalisation for the effect of Guaranteed Minimum Pensions.
- **Legislation:** the publication of the Finance Bill 2017; and an update on a number of changes to pensions legislation which come into force in April including in relation to contracted-out rights, the pension advice allowance, overseas scheme definitions and automatic enrolment.
- **Case law:** an Employment Tribunal judgment concerning objective justification and the transitional provisions in the firefighters pension scheme; a Court of Appeal judgment about the operation of a scheme's pension increase rule; a High Court judgment concerning the construction of powers in a scheme's rules to change the index for pension increases and for revaluation in relation to CARE benefits; and comments in a High Court judgment about levels of compensation awarded by the Pensions Ombudsman.
- **Other news:** the publication by the Office for National Statistics of a guide to changes to its consumer price inflation statistics; two reports that will help inform the Government's review of the State Pension age; and HMRC's latest Countdown Bulletin in relation to the end of contracting-out.
- **On the Horizon:** a timeline of some of the key future developments in pensions to help employers and trustees plan ahead.

If you would like further information about any of the issues raised in this edition of Pensions Round-Up, please get in touch with Cathryn Everest or your usual DLA Piper pensions contact. Contact details are at the end of this newsletter.

THE PENSIONS REGULATOR AND THE PENSION PROTECTION FUND

PENSION SCAMS

On 14 March the Regulator added a range of new resources to its website as part of its scorpion campaign in relation to pension scams including: new videos for trustees and savers alerting them to typical scammer tactics and the consequences for scam victims; on online scam-spotting tool for savers considering investing their pension pot; a guide for savers which sets out five tips for them to protect themselves from scammers; a downloadable poster for providers and employers; and a scheme transfer checklist for trustees. The scheme transfer checklist for trustees sets out some questions that can be used to find out more about the receiving scheme and how the member came to make the request, and notes that if several of the features in the checklist are present, there may be cause for concern.

Trustees should consider reviewing their transfer processes to see if any points in the checklist need to be added to the checks that they complete. They should also consider whether to include the document for savers in information that they issue to members.

MONETARY PENALTIES POLICY AND PROFESSIONAL TRUSTEE DESCRIPTION

On 23 March, the Regulator published a consultation (which closes on 9 May) on two issues which were noted in the Regulator's response to its recent Discussion Paper on 21st century trusteeship and governance.

In its response to the Discussion Paper the Regulator explained that it intends to make greater use of its powers, including the power to impose monetary penalties, where there have been wider scheme governance and administration failings. The consultation therefore seeks comments on a draft monetary penalties policy that sets out how the Regulator will generally use its powers to impose monetary penalties under pensions legislation, although it does not cover penalties in relation to the automatic enrolment duties. Issues covered in the draft policy include the factors that the Regulator will take into account when deciding whether to impose a discretionary monetary penalty and principles which will guide the Regulator in determining the amount of a penalty.

The Regulator has previously stated that it expects professional trustees to demonstrate a greater level of knowledge and meet a higher standard of care than other trustees, and that it considers professional trustees to be those who charge for their services as a trustee or who hold themselves out to be experts in trustee matters. However, some respondents to the Discussion Paper commented that it is unclear who falls within the Regulator's current description of a professional trustee. In particular a number of respondents noted the increased practice of paying trustees who do not provide commercial trustee services. The Regulator agrees that remuneration alone is not necessarily determinative of whether someone is acting in the capacity of a professional trustee and in this consultation proposes a revised description whereby it will consider a professional trustee *"to include any person, whether or not incorporated, who:*

- *acts as a trustee of the scheme in the course of the business of being a trustee*
- *is an expert, or holds themselves out as an expert, in trustee matters generally".*

The Regulator generally intends to use this revised description across its activities including when considering whether to impose a monetary penalty and the amount of any such penalty.

AUTOMATIC ENROLMENT

On 2 March the Regulator issued a press release reporting that spot checks will be carried out on employers to make sure that they are complying with their automatic enrolment duties. Employers will be given a short period of notice before an inspection and will be from a range of business sectors including those at risk of failing to meet their duties.

THE PENSIONS REGULATOR AND THE PENSION PROTECTION FUND

INVESTMENT GUIDANCE

As part of the Regulator's strategy to produce simpler guidance for occupational pension schemes, on 30 March it published new investment guidance for trustees of defined benefit schemes. The guidance is set out in six sections: DB investment governance; investing to fund DB; matching DB assets; DB growth assets; implement a DB investment strategy; and monitoring DB investments. The Regulator also published a summary of the guidance. Points of note include the following.

- The Regulator expects trustees to have suitably documented investment governance arrangements that are appropriate for the scheme's circumstances.
- A good investment strategy is likely to: involve effective governance, delegation and monitoring; form part of an integrated risk management process; be consistent with the scheme's objectives and any long-term journey plans; have an overall amount of risk consistent with risk appetite; involve risk-taking that is understood and balanced; and allow for the scheme's future cash flow and liquidity requirements.
- As well as setting the investment strategy, it is important for trustees to consider how that strategy is to be implemented.
- Monitoring is an essential part of investment governance and trustees should focus on, and monitor most frequently, those factors that will make the most difference to meeting the scheme's objectives. Trustees may find it helpful to put together an investment monitoring dashboard.

PPF LEVY

Levy determination 2017/18 and schemes without a substantive sponsor

On 30 March the PPF published a response to its February consultation (reported in that month's edition of Pensions Round-Up) on a proposed levy rule for schemes without a substantive sponsor. The PPF has concluded that there is no clear case for adjusting the proposals in the consultation and it will therefore be applying them for the 2017/18 levy year. The PPF therefore published the final Levy Determination for 2017/18 which includes this rule and some minor drafting changes made since the December version. In light of some responses which the PPF would like to explore further and in recognition of the fact that stakeholders had limited time to develop their thoughts on the proposals, the PPF is committed to consulting further on the methodology for schemes without a substantive sponsor before finalising rules for 2018/19.

Third levy triennium

On 23 March the PPF published a consultation on levy rules for the third PPF levy triennium starting in 2018/19. Proposals in the consultation look at two ways that the PPF plans to develop the approach to measuring insolvency risk. Firstly, the consultation proposes to revise how employers are allocated to scorecards, introduce two new scorecards and rebuild existing scorecards where the predictive power has been weaker. Secondly, it proposes to adopt the use of credit ratings for some of the largest employers and a specific methodology for regulated financial services entities. The PPF expects almost two thirds of schemes to see a reduction in levies, although it also notes that some schemes (particularly some of those with very large employers) would see an increase. Other issues on which the PPF seeks views include: possible changes to certifying deficit reduction contributions; proposals in relation to contingent assets including that, in order to certify very high value Type A contingent assets, a guarantor strength report must be prepared in advance of certification; and whether there is a case for a levy discount for good governance.

The consultation closes on 15 May 2017. The PPF will publish a second consultation in the autumn, setting out its conclusions, alongside a draft set of rules for 2018/19.

CONSULTATIONS AND LEGISLATION

GMP EQUALISATION

As reported in the November 2016 edition of Pensions Round-Up, last year the DWP published a consultation about equalisation for the effect of Guaranteed Minimum Pensions (GMPs) which sought views on a new proposed methodology which involves a one-off calculation and actuarial comparison of the benefits a man and woman would have, with the greater of the two converted into an ordinary scheme benefit. On 13 March the Government's response was published which reports that there was broad agreement by most respondents that the proposed methodology was a distinct improvement on draft guidance published in 2012. Other points in the response include that it: (i) reiterates the view given in the consultation about the impact of the UK's decision to leave the EU; (ii) states that notwithstanding the Government's opinion that equalisation is required, it will consider its position in light of any legal decision resulting from a case that some respondents noted may come before the courts on this issue; and (iii) notes various comments raised by respondents in relation to the proposed process, administration costs and changes to the GMP conversion legislation and, in most cases, states that the Government will be considering the issues with the industry working group. It is also reported that whilst the Government believes that the proposed methodology meets the equalisation obligation, it does not intend to suggest that it is a definitive statement of how equalisation should be effected, and therefore does not think that it is appropriate to provide a statutory safe harbour for schemes that use the methodology.

Trustees of schemes that have not yet equalised for the effect of GMPs may find it useful to start considering whether the proposed approach may be appropriate for their scheme and to include this issue in their plans for further consideration once the Government provides a more definite timeline for publishing guidance and potentially amending legislation.

BUDGET 2017 – OVERSEAS TRANSFER CHARGE

The Spring Budget 2017 which took place on 8 March did not include a significant number of pensions announcements. However, an announcement about the introduction of a new tax charge that applies to certain transfers to Qualifying Recognised Overseas Pension Schemes (QROPS) is of particular note as it requires action by trustees of UK occupational pension schemes. You can read more about the overseas transfer charge in our Pensions Alert dated 10 March 2017.

HMRC published its latest pension schemes newsletter in March which includes an overview of the overseas transfer charge and two appendices containing guidance that HMRC has produced to help reach scheme members thinking about transferring to a QROPS and overseas scheme managers receiving and making transfers. HMRC states that it is happy for schemes to use the wording in these appendices in their literature or on scheme websites as appropriate.

FINANCE BILL 2017

The Finance Bill 2017 was published on 20 March. It includes provisions in relation to pensions that address the following areas. (i) A new income tax exemption which will take effect from 6 April 2017 and which, provided certain conditions are met, will cover the first £500 worth of pensions advice provided to an employee in a tax year. Regulations were made in March to provide a corresponding National Insurance Contributions disregard for payments and reimbursements of the costs of pensions advice by the employer. (ii) In the Spring Budget documents the Government confirmed that, as proposed in a November 2016 consultation, it will reduce the money purchase annual allowance (which applies when a member has accessed their benefits flexibly and wishes to make further DC contributions) from £10,000 to £4,000 from 6 April 2017. On 20 March the response to the November consultation was published and clauses to give effect to this change are included in the Finance Bill. (iii) A number of changes intended to limit inconsistencies in the tax treatment of UK and foreign pension savings. (iv) Provisions to introduce the overseas transfer charge announced in the Spring Budget.

CONSULTATIONS AND LEGISLATION

REGULATIONS MAKING CHANGES IN APRIL 2017

In March a number of new sets of regulations were made which come into force in April and, in relation to some of these provisions, responses to consultations were also published. You can read more about the changes in relation to contracted-out rights, the pension advice allowance and overseas pensions in our Pensions Alert dated 4 April 2017.

- A number of changes to the legislation on administering accrued **contracted-out rights** come into force on 6 April 2017 including in relation to fixed rate revaluation and survivors' GMPs.
- From 6 April 2017 a new authorised payment is being introduced – the **pension advice allowance payment** – which will allow people to take specified amounts from their DC pension pot tax-free to pay for retirement financial advice.
- On 6 April 2017, changes to the definitions of **overseas pension scheme** and **recognised overseas pension scheme** come into force which are relevant to the question of whether an overseas scheme meets the criteria to be a QROPS such that a transfer to it will be an authorised payment.
- The **automatic enrolment** legislation is amended from 1 April 2017 to change the point at which the duties apply and to introduce the ability to use a deferral period for employers that employ their first worker after 1 April 2017 (in the case of non-PAYE income paying employers) or on or after 1 October 2017 (in the case of PAYE income paying employers).
- From 6 April 2017, the lower limit of the **automatic enrolment qualifying earnings band** will increase from £5,824 to £5,876 and the upper limit will increase from £43,000 to £45,000.
- From 1 April 2017 changes are made to the **general levy** which recovers the core funding provided by the DWP for The Pensions Regulator, The Pensions Advisory Service and The Pensions Ombudsman to create new lower levy rates for schemes with 500,000 members or more.
- The latest Revaluation of Earnings Factors Order (section 148 order) comes into force on 6 April 2017 which includes provision relevant to **revaluation of GMPs** in line with earnings.
- On 6 April 2017 provisions in the Pensions Act 2014 come into force which introduce a long service cap in respect of **PPF compensation** whereby the standard compensation cap will be increased by 3% for each full year of pensionable service above 20 years subject to a maximum of double the standard cap. Regulations have been made to address how the cap applies where a person's entitlement arises from different sources or arises from one source but at different dates. The regulations also allow the PPF to discharge money purchase benefits as a lump sum where the total value is below £10,000 (rather than £2,000).
- Regulations were made in March providing for **public service pensions** to be increased from 10 April 2017 by 1% except for those pensions which have been in payment for less than a year which will receive a pro rata increase. Regulations were also made in relation to revaluation for the new career average public service pension schemes.
- Regulations were made making changes to the **NHS Pension Scheme** to introduce a scheme administration levy on participating employers. The initial rate of the charge will be set at 0.08% of active member pensionable pay. The regulations also make provision for: (i) an addition to the type of contracts that enable independent healthcare providers to offer membership of the scheme; and (ii) technical corrections and clarifications to further improve the operation of the scheme rules.

CASE LAW

OBJECTIVE JUSTIFICATION

In the January 2017 edition of Pensions Round-Up we reported on an Employment Tribunal judgment concerning the new judicial pension scheme introduced in April 2015. That judgment considered transitional provisions which permit certain judges to remain in the judicial pension scheme (which provides more valuable benefits) either until retirement (full protection members) or until the end of a period of tapered protection (tapered protection members). The status of a full protection member and of a tapered protection member depends solely upon a judge's date of birth and therefore his or her age. The Employment Tribunal concluded that this less favourable treatment had not been shown to be objectively justified, that is, it had not been shown to be a proportionate means of achieving a legitimate aim. A consultation response issued in February in relation to another aspect of judicial pensions reports that the Lord Chancellor is appealing this decision.

In February an Employment Tribunal judgment was issued which concerned transitional provisions in the Firefighters Pension Scheme 2015 which provide full protection or tapered protection depending on the person's age. However, in this case the Tribunal concluded that the transitional provisions could be objectively justified. It is worth noting that the Tribunal's reasoning included that this was a situation where a measure was being introduced as a result of a social policy decision, and that the Government has a wide discretion in social policy matters. In March the Fire Brigades Union added an update to its website stating that it has filed a notice of appeal in relation to this judgment.

Discussions in case law about objective justification can be of interest to schemes considering objective justification even if not in relation to provisions identical to those in the case at issue. However, if viewing these judgments for this purpose, the differing conclusions reached by the Employment Tribunal and their appeal status should be borne in mind.

PENSION INCREASE RULE

On 29 March the Court of Appeal issued a judgment concerning the construction of a scheme's rule about increases to pensions in payment. A 1980 version of the rules provided for an annual increase of 3% compound (**"Old Rule"**). A deed dated 20 June 1991 purported to replace this with a rule providing for increases by the lesser of 5% or the increase in RPI (**"Amended Rule"**). The scheme was administered on the basis that the Amended Rule was valid in respect of service both before and after 20 June 1991. However, it was subsequently accepted that this was incorrect because a proviso in the scheme's amendment power protecting pensions in payment and members' accrued rights meant that it was not possible to reduce increases in relation to pensions in payment in respect of periods of service prior to 20 June 1991. In a judgment issued in October 2015 (reported in that month's edition of Pensions Round-Up), the High Court considered how increases should be applied to benefits accrued prior to 20 June 1991. The High Court viewed the position as a "*composite or blend*" of the Old and the Amended Rule and concluded that the correct approach was that, at each anniversary of the pension commencing, the increase should be the greater of 3% and 5% RPI. This was referred to as the "Annual Approach" and was the approach favoured by the scheme's trustee.

The Court of Appeal allowed the employer's appeal against the High Court's decision and concluded that the correct approach was that referred to in the judgment as the "Modified Cumulative Approach" which essentially involves keeping track of what the pension would be if it were increased each year by 3% per annum compound and if it were increased each year by 5% RPI compound subject to a floor of 0% where the change in RPI is negative, and granting the higher of the two. The Court of Appeal thought that the proviso would be breached if a member received less money than they would have done had the change not been made. The Court of Appeal's conclusions included that: the right under the 1980 rules is a right to a 3% increase applied to a figure which has itself been increased by 3% and not by any higher figure; the Modified Cumulative Approach preserves that right; and rather than preserving an old right, an approach that decouples the percentage increase from the figure to which that increase is to be applied (as the Annual Approach does) creates a new right.

CASE LAW

INDEX CHANGES – RPI/CPI

A High Court judgment issued on 31 March considered the construction of powers under the rules of a scheme to change the index by reference to which (i) pensions in payment are to be increased and (ii) the rate of revaluation of annual salary for the purpose of calculating career average revalued earnings (CARE) benefits is to be calculated. Benefits in the scheme in question are currently increased and revalued by reference to RPI, but the principal employer wishes to replace RPI with another index and favours CPI. In this article we note the drafting of the relevant rules and provide a very high level overview of the court's conclusions about the construction of those rules.

The relevant rule in relation to CARE benefits provides that "*If the Government retail prices index for all items is not published or its compilation is materially changed, the Principal Employer, with the agreement of the Trustees, will determine the nearest alternative index to be applied*". The principal questions which the High Court considered were whether the compilation of RPI has been "*materially changed*" and, if so, what are the candidates for the "*nearest alternative index*". In short, the High Court concluded that: (i) the compilation of RPI has materially changed as a result of the introduction of UK HPI (which is a house price index) into the RPI; and (ii) the nearest alternative index is the RPI following the change in its compilation by the introduction of UK HPI, and it is not open to the Principal Employer in response to that change to determine any other index.

The relevant rule in relation to final salary benefits states that "*if the Retail Prices Index is revised to a new base or if that Index is otherwise altered after a date which is relevant in respect of a pension in terms of this Rule, all subsequent variations in that pension will be on a basis determined by the Trustees having regard to the alteration made to the Retail Prices Index*". The principal questions in relation to this rule are whether RPI has been "*otherwise altered*" and, if so, what are the candidates for the basis which the Trustees may determine. In short, the High Court thought that RPI has been "*otherwise altered*" but concluded that current RPI (thus including the material change in its compilation by the introduction of UK HPI) should be the basis determined by the Trustees and that it is not open to them in response to that change to adopt any other index.

Employers and trustees may find it of interest to see the court's conclusions in this latest case concerning the construction of rules on this issue, but it is important to bear in mind that how a scheme's rules should be interpreted will depend on the precise drafting. Employers and trustees of schemes with rules drafted in the same or similar terms as those in this case and who are looking at whether it is possible to change the index should consider seeking further information about the court's conclusions and the implications of them.

PENSIONS OMBUDSMAN – COMPENSATION LEVELS

On 20 March the High Court issued a judgment in relation to an appeal against a determination of The Pensions Ombudsman (TPO) concerning a complaint about delays by a receiving scheme in implementing a transfer request. The appeal was allowed in part and points of note in the judgment include that the Court commented on the level of compensation granted by TPO for distress and inconvenience in relation to maladministration not involving infringement of legal rights. It was noted that in a 1998 judgment the court considered that an award in excess of £1,000 should not be made unless there are very exceptional circumstances. In this March 2017 judgment the court stated that, by reference to the Bank of England's online inflation calculator, the present equivalent of £1,000 in 1998 is in excess of £1,600. The judge stated that in proportionate terms, that is "*a material uplift*". He also stated that in his view "*after two decades it is time to rebase the upper limit for compensation falling short of being very exceptional at £1,600*" and urged TPO to do so. The case was remitted back to TPO for reconsideration of the complaint concerning delay and the extent of maladministration and the appropriate compensation for distress and inconvenience (TPO had previously awarded £750). It will be interesting to see whether TPO comments, either in this case or more generally, on the court's view that the upper limit should be rebased.

OTHER NEWS

CONSUMER PRICE INFLATION STATISTICS

In November 2016 the National Statistician and Chief Executive of the Office for National Statistics (ONS) issued a statement which included that the ONS would make CPIH (the Consumer Price Index including owner occupiers' housing costs) its preferred measure of consumer price inflation from March 2017. On 14 March the ONS published a guide to changes to its consumer price inflation statistics from 21 March 2017, with changes announced in the guide including that: (i) following the November statement, CPIH will be put first in the Consumer Price Inflation statistical bulletin; (ii) CPI will continue to be published at the same level of detail; (iii) certain RPI-related data will be discontinued, but RPI, its subcomponents and RPIX will continue to be published; and (iv) although RPIJ will be discontinued, an estimate of the formula effect will be available.

STATE PENSION AGE REVIEW

Two reports were published on 23 March that will help inform the Government's review of the State Pension age (SPA). Recommendations in the report of the Independent Review include that: SPA should rise to age 68 over a two year period starting in 2037 and ending in 2039 (the current dates are 2044 to 2046); and SPA should not increase more than one year in any ten year period, assuming that there are no exceptional changes to the data. The other report is by the Government Actuary's Department (GAD) which was asked to consider two alternative scenarios reflecting an adult in receipt of the State Pension for either 32% or 33.3% of their adult life. The GAD report concludes that under a 32% scenario, SPA could rise to 69 between 2040 and 2042, and under a 33.3% scenario it could reach 69 between 2053 and 2055. The Government will publish its own report in May 2017.

END OF CONTRACTING-OUT

On 27 March HMRC published its latest Countdown Bulletin in relation to the end of contracting-out. The Bulletin includes a reminder that schemes have until December 2018 to complete all reconciliation activity and that there will be no facility to raise queries after October 2018. HMRC states that schemes should plan ahead and ensure that all initial queries are submitted to allow sufficient time to be allocated a query slot, for HMRC to provide a response within its timescale, for the scheme's own internal lead times, and for any final queries to be submitted before October 2018. The Bulletin also provides an update in relation to automation of Scheme Reconciliation Service queries and some hints and tips on scheme reconciliation.

FINANCIAL REPORTING COUNCIL

Following its December consultation, on 29 March the Financial Reporting Council (FRC) published its "*Plan & Budget and Levies 2017/18*". The FRC confirms that, in line with its proposal, the pension levy for 2017/18 will apply to schemes with 5,000 members or more and the rate will be £3.12 per 100 members.

PENSIONS DASHBOARD

On 31 March the Association of British Insurers (ABI) added a news item to its website reporting that the cross-industry project to design a prototype system to allow people to see all of their pension savings and entitlements in an online place of their choosing has been delivered on time and demonstrated to Ministers. It states that the prototype will be unveiled to the public at FinTech week on 12 April. The ABI also provides some further information about how the dashboard will work which includes that it does not involve creating a large store of pensions data, but rather the technology "*fetches and delivers back the relevant information when an enquiry is made via the system*". The ABI also notes that setting up a service like this cannot be done by the pensions industry alone and that the industry is ready to support the Government in deciding how the dashboards will be run and how the firms that operate and work with them will be regulated.

ON THE HORIZON

DATE	DEVELOPMENT
Unknown	The reforms in relation to **Defined Ambition, Collective Benefits** and **automatic transfers of small DC pots** will be revisited once the market has had time and space to adjust to other reforms.
	In March the Government published a response to its consultation on **equalisation for the effect of GMPs** noting that a number of issues will be considered with the industry working group. The date that any final form documents will be published is not known.
	In February 2016 it was stated that a new requirement would be introduced in the summer for trust-based schemes to **report regularly on their performance in processing transfers** but no further detail has yet been published in relation to this
	The closing date for comments on the DWP's **Green Paper on DB schemes** is 14 May but a date has not been given for publication of the DWP's response.
Spring 2017	The response to the December 2016 consultation about measures to tackle **pension scams** is expected to be published.
	Following its Discussion Paper on **21st century trusteeship and governance**, an education campaign by the Regulator is expected to start.
Second quarter of 2017	Following a consultation published in October 2016, the FCA is expected to publish rules aimed at standardising the disclosure of **transaction costs** incurred by pension investments.
Autumn 2017	In the Autumn the PPF is expected to publish a consultation setting out its conclusions in relation to the **levy for the third triennium** alongside a draft set of rules for 2018/19.
	The **cap on early exit charges** for occupational pension schemes is expected to come into force in October 2017. (For contract-based schemes the relevant date is 31 March 2017.)
2017	The **Pension Schemes Bill 2016-17** is progressing through Parliament. It contains provisions in relation to the regulation of **master trusts** and a regulation-making power to support the plans to introduce a **cap on early exit charges** and extend the ban on **member-borne commission payments**. Consultation on the charges provisions is expected in early 2017.
	The **Finance Bill 2017** is progressing through Parliament. It contains provisions in relation to a tax exemption for **employer-arranged pensions advice**; the reduction in the **money purchase annual allowance** to £4,000; changes to the UK tax charges that arise on **overseas pension savings**; and the **overseas transfer charge**.
	A review of **automatic enrolment** will take place in 2017. A report setting out policy recommendations is expected towards the end of 2017.
	Following a December 2016 call for evidence, a consultation is expected on **bulk transfers of DC pensions without member consent**.
	The transitional period in which employers and schemes may continue to use the **VAT** treatment in VAT Notice 700/17 ends on 31 December 2017.
6 April 2018	The **lifetime allowance** is due to be indexed annually in line with CPI.
May 2018	The new EU General **Data Protection** Regulation will apply.
2019	Member States must transpose the **IORP II Directive** into national law by 13 January 2019.
	The Government will ensure the industry designs, funds and launches a **pensions dashboard** by 2019.

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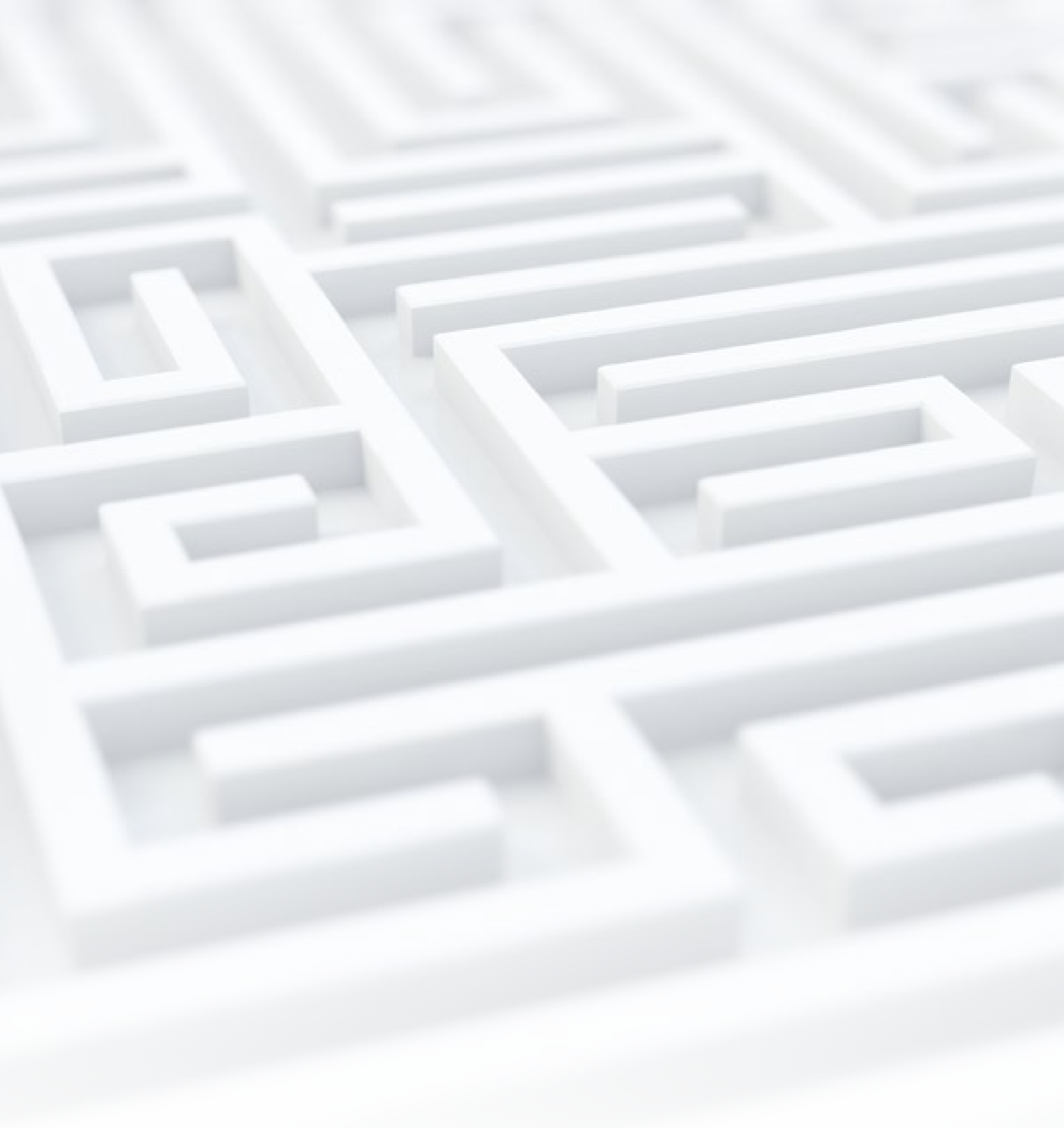

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